

## Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 SCEM-02 SCI-06 COME-00 INT-08

OMB-01 TRSE-00 CIEP-02 SS-20 NSC-10 CIAE-00 INR-10

NSAE-00 RSC-01 NEA-10 PRS-01 L-03 FPC-01 STR-08 SPC-03

CEA-02 H-03 DRC-01 AGR-20 DODE-00 PA-04 USIA-15 /168 W

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R 082306Z NOV 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2069

INFO AMCONSUL MONTREAL

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E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: RESIDUAL FUEL OIL CONTROLS

REF: OTTAWA 2643

1. MONTREAL GAZETTE OF NOVEMBER 8 CARRIES STORY THAT NATIONAL ENERGY BOARD (NEB) FOR PURPOSE OF PROTECTING CANADIAN CONSUMERS FROM WINTER SHORTAGES, "HAS ALREADY REJECTED EXPORT APPLICATION FROM FORMER CUSTOMERS IN DETROIT AND OTHER MICHIGAN CENTRES," AND QUOTES AN UNIDENTIFIED NEB OFFICIAL AS SAYING THAT "QUITE A NUMBER OF APPLICATIONS" FROM MICHIGAN HAVE BEEN DENIED, INCLUDING DETROIT EDISON. ARTICLE NOTES THAT MICHIGAN STATE HARDEST HIT BECAUSE IT IS LARGEST U.S. INDUSTRIAL CONCENTRATION BUYING CANADIAN FUELS.

2. IN THIS CONNECTION, JAMES YUENGER, VICE PRESIDENT MICHIGAN SUGAR COMPANY (SAGINAW), CALLED ON EMBOFF NOVEMBER 7 JUST PRIOR TO APPOINTMENT WITH NEB MEMBER STABBACK FOR EMBASSY BRIEFING ON CANADIAN OIL SITUATION. SUGAR FIRM FACES SERIOUS SHUT-DOWN OF BEET SUGAR

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PROCESSING IN DECEMBER IF EXPORT LICENSE NOT GRANTED IN

NEXT FEW DAYS FOR CONTRACTED RESIDUAL FUEL OIL DELIVERIES  
FROM CANADIAN FUEL MARKETERS (CFM).

3. YUENGER REPORTED BACK TO EMBOFF THIS MORNING THAT  
HE HAD RECEIVED EXTREMELY CORDIAL RECEPTION AT NEB AND  
OBVIOUS SYMPATHY FOR CIRCUMSTANCES HIS COMPANY.  
STABBACK INFORMED YUENGER THAT NEB WOULD CONTACT CFM  
IMMEDIATELY AND IF CFM CAN GUARANTEE THAT SHIPMENT  
TO MICHIGAN SUGAR WILL BE REPLACED BY FOREIGN OIL IMPORTS  
THE LICENSE WILL BE GRANTED. (NEB CONFIRMED THIS  
COMMITMENT WITH EMBASSY THIS AFTERNOON). WHILE  
OBVIOUSLY THIS NO REPEAT NO FIRM ASSURANCE, YUENGER AT  
LEAST FEELS HE RECEIVED FAIR HEARING AND HIS HOPES  
ARE UP.

4. ON MORE GENERAL SITUATION YUENGER REPORTED HIS  
UNDERSTANDING OF NEB POSITION ON RESIDUAL FUEL OIL  
EXPORTS TO BE THAT LICENSES ARE BEING APPROVED  
(ALTHOUGH AT REDUCED LEVELS) IF (1) THE OIL IS EXCESS  
AND MUST BE MOVED OUT DUE TO LACK OF STORAGE FACILITIES  
AND TO KEEP REFINERY FROM SHUTTING DOWN; AND (2) THERE  
ARE CLEAR GUARANTEES THAT THE EXPORT IS BEING REPLACED  
BY FRESH FOREIGN OIL IMPORTS. THIS UNDERSTANDING IS NOT  
REPEAT NOT INCONSISTENT WITH EMBASSY REPORT (PARA 1 (C)  
OF REFTTEL) FROM NEB THAT THERE IS NO EMBARGO AND THAT  
LICENSES ARE CURRENTLY BEING ISSUED.  
SCHMIDT

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTS, PRESS COMMENTS, EXPORT CONTROLS, EXPORT LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973OTTAWA02669  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** OTTAWA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1973/newtext/t19731147/aaaabics.tel  
**Line Count:** 88  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** OTTAWA 2643  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Sep-2001 by smithrj>; APPROVED <14-Nov-2001 by garlanwa>  
**Review Markings:**

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**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** RESIDUAL FUEL OIL CONTROLS  
**TAGS:** ENRG, CA, US  
**To:** STATE  
**Type:** TE  
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